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U.S. House of Representatives
COMMITTEE ON THE BUDGET
Washington, DC 20515

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Budget Stalemate:
Further Evidence of Flawed Republican Budget

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Dear Democratic Colleague:

Under Republican Leadership, the House of Representatives has failed to pass most of the funding bills needed to fund the federal government. Republicans often criticize the manner in which the Senate does its legislative work. But the House, which Republicans fully control, has failed to carry out its own obligations to pass appropriations bills before the new fiscal year begins. With ten days remaining in the current fiscal year, only five of the thirteen regular appropriations bills have been passed by the House. By contrast, the Senate Appropriations Committee has passed all thirteen bills. According to published reports, this slow pace in the House results directly from a stalemate among Republicans about whether the Labor-HHS-Education appropriations bill will contain adequate funding for important priorities. This standoff is only the latest reminder of the shortcomings of the House Republican budget.

Since President Bush took office in 2001, Republicans have held out the promise that we can have it all: that oversized Republican tax cuts would not require tapping the Social Security and Medicare surpluses or underfunding key priorities such as education and health care. Unfortunately, Republican tax cuts, which were supposed to come from “money left over,” have squeezed all of those other priorities. The most recent numbers from the Congressional Budget Office suggest that the Administration is now on track to spend \$2 trillion of the Social Security surplus over the next decade.

The Republican budget process foreshadowed problems from the start. As the attached document shows, since the budget process for 2003 began, Republicans have repeatedly failed to produce a realistic budget, protect Social Security, and fund important priorities.

The current conflict within the Republican party about the Labor-HHS bill serves as an additional reminder of the true plight of the budget. Republican tax cuts have dissipated funds that even many Republicans believe are needed for priorities such as education. For example, the Bush budget—and the matching House Republican Labor-HHS bill—would not come close to providing full funding for the No Child Left Behind education legislation passed last year on a bipartisan basis.

House Republicans must meet their obligations to pass appropriations bills and fund the government. Their failure to do so is further evidence that the President and Congress need to sit down and develop a realistic and fiscally responsible budget that protects Social Security.

Sincerely,

John M. Spratt, Jr.
Ranking Democratic Member



Budget Watchdog

House Budget Committee Democratic Staff

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Budget Process Under Republican Leadership

The Congressional Budget Process

As Established by the
Congressional Budget Act of 1974

| Deadline | Action |
|--------------------------|---|
| First Monday in February | President submits budget to Congress |
| February 15 | CBO submits report on economic and budget outlook to Budget Committees. |
| April 15 | Congress completes action on budget resolution. |
| June 10 | House Appropriations Committee reports last regular appropriations bill. |
| June 30 | House completes action on regular appropriations bills and any required reconciliation legislation. |
| July 15 | President submits Mid-Session Review of his budget to Congress. |
| October 1 | New fiscal year begins. |

The Republican Budget Process

for Fiscal Year 2003

| Date | Action |
|-------------|---|
| February 4 | <p>President's budget shows the 2002-2011 non-Social Security surplus of \$3.046 trillion the Bush Administration inherited has dwindled to a deficit of \$1.650 trillion. The President's new policies would increase the deficit by \$1.325 trillion over that same period.</p> <p>The promise of plenty of room for a tax cut without spending the Social Security surplus has been broken. Democratic warnings that last year's Republican budgets should contain some cushion for unforeseen events went unheeded.</p> |
| January 23 | <p>CBO releases its baseline estimates.</p> <p>On March 6, CBO releases its re-estimate of the President's budget, which estimates that the President's policies would worsen the budget picture by \$1.699 trillion, not the \$1.325 trillion estimated by OMB.</p> <p>CBO's estimates are rejected by the House Budget Committee. The more favorable OMB numbers are used instead.</p> |
| March 20 | <p>The House approves the Republican budget resolution by partisan vote. The resolution omits the second five years; uses OMB instead of CBO scoring; fails to protect Social Security and Medicare; and ignores many planned but not included costs, such as expiring tax provisions, additional tax cuts, and supplemental appropriations.</p> |
| As of Today | <p>House Appropriations Committee has reported only eight of the thirteen regular appropriations bills.</p> |
| As of Today | <p>Because of unrealistic discretionary spending targets set in the House Republican budget resolution, disagreements among Republicans stall appropriations progress.</p> |
| July 15 | <p>Mid-Session Review shows budget in worse shape than earlier estimated. OMB projects the 2002-2011 non-Social Security deficit will be \$1.968 trillion.</p> |
| Now | <p>New fiscal year is 10 days away. No appropriations bills have been sent to the President.</p> |